

**AGENDA FOR THE  
REGULAR COUNCIL MEETING OF  
TUESDAY, FEBRUARY 3, 2004 AT 10:00 A.M.  
CITY ADMINISTRATION BUILDING  
COUNCIL CHAMBERS – 12<sup>TH</sup> FLOOR  
202 “C” STREET  
SAN DIEGO, CA 92101**

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**NOTE:** The public portion of the meeting will begin at 10:00 a.m. The City Council will meet in Closed Session this morning from 9:00 a.m. – 10:00 a.m. Copies of the Closed Session agenda are available in the Office of the City Clerk.

**OTHER LEGISLATIVE MEETINGS**

The **SAN DIEGO HOUSING AUTHORITY** is scheduled to meet today in the Council Chambers. A separate agenda is published for it, and is available in the Office of the City Clerk. For more information, please contact the Housing Authority Secretary at (619) 578-7540.

ITEM-300:                      ROLL CALL.

**NON-AGENDA PUBLIC COMMENT**

This portion of the agenda provides an opportunity for members of the public to address the Council on items of interest within the jurisdiction of the Council. (Comments relating to items on today's docket are to be taken at the time the item is heard.)

Time allotted to each speaker is determined by the Chair, however, comments are limited to no more than three (3) minutes **total per subject** regardless of the number of those wishing to speak. Submit requests to speak to the City Clerk **prior** to the start of the meeting. Pursuant to the Brown Act, no discussion or action, other than a referral, shall be taken by Council on any issue brought forth under “Non-Agenda Public Comment.”

**COUNCIL, CITY ATTORNEY, CITY MANAGER COMMENT**

**REQUEST FOR CONTINUANCE**

The Council will now consider requests to continue specific items.

=== LEGISLATIVE SCHEDULE ===

Noticed Hearings

ITEM-330: **NOTE: It is anticipated that the City Council will ask to continue this item to a date to be determined.**

Southgate Condominium Conversion. Otay Mesa-Nestor Community Plan Area. (Dist. 8)

CITY MANAGER'S RECOMMENDATION: Adopt the resolution to deny the appeal and grant the Tentative Map.

Adopt Agenda, Discussion, Other Legislative Items

ITEM-331: Status Report on the Inclusionary Housing Ordinance and the Affordable/In-Fill Housing and Sustainable Buildings Expedite Program.

CITY MANAGER'S RECOMMENDATION: Adopt the resolution.

Adoption Agenda, Discussion, Committee Item

ITEM-332: Two actions related to Proposed Changes to Condominium Conversion Regulations.

LAND USE AND HOUSING COMMITTEE'S RECOMMENDATION:

On 9/17/2003, LU&H voted 4 to 0 to adopt the City Manager's recommendations with one amendment to recommendation number 2. The motion directed staff to:

1. Prepare an ordinance to require that when the rental vacancy rate is below 7%, condominium conversion applicants provide a relocation/down payment assistance payment of three months current rent to residents of units being converted who earn less than the Area Median Income (AMI).
2. Direct preparation of an amendment to the Inclusionary Housing Ordinance to apply the City's recently adopted inclusionary housing provisions to condominium conversions, requiring applicants for conversions to either offer 10% of the converted units at a price affordable to residents earning 100% or less of AMI, provide the same number of affordable units at an off-site location or pay an in lieu fee. Converted units regardless of size being sold for less than 150% of AMI would be exempt from any inclusionary requirement.
3. Assure units undergoing conversion meet all applicable local and State building and zoning regulations. Chair Peters stated, for the record, his reservations with regards to recommendation number 2, noting while he favored moving the item forward as part of the motion, he may not support the item at City Council.

Non-Docket Items

Adjournment in Honor of Appropriate Parties

Adjournment

**=== EXPANDED CITY COUNCIL AGENDA ===**

ADOPTION AGENDA, DISCUSSION, HEARINGS

NOTICED HEARING:

**NOTE: It is anticipated that the City Council will ask to continue this item to a date to be determined.**

ITEM-330: Southgate Condominium Conversion.

Matter of the appeal by Arlen L. Shire of the decision by the Planning Commission in approving an application for a Tentative Map for a Condominium Conversion to convert 188 residential units to condominiums on a 12.9 acre site at 850 Beyer Way in the RM-1-1 Zone.

(See City Manager Report CMR-04-010. Otay Mesa-Nestor Community Plan Area. District-8.)

**CITY MANAGER'S RECOMMENDATION:**

Adopt the following resolution to deny the appeal and grant the Tentative Map:

(R-2004- )

Adoption of a Resolution granting or denying the appeal and granting or denying Tentative Map No. 27671, with appropriate findings to support Council action.

**OTHER RECOMMENDATIONS:**

Planning Commission on November 13, 2003 voted 6-0 to approve; was opposition.

Ayes: Lettieri, Schultz, Brown, Chase, Ontai, Steel.  
Not present: Garcia

The Otay Mesa-Nestor Community Planning Board has recommended approval of this project.

**CITY MANAGER SUPPORTING INFORMATION:**

The developed 12.9-acre site is located at 850 Beyer Way in the RM-1-1 Zone of the Otay Mesa-Nestor Community Plan. The surrounding area is developed with a variety of mixed uses including low density detached single family dwellings to the west and south, commercial uses comprised of retail establishments to the north, mixed commercial establishments, multi-family attached dwelling units and Howard Pence Elementary School to the east. The Otay Mesa-Nestor Community Plan designates the site for residential uses at a density of low to medium (10-15du/ac).

ADOPTION AGENDA, DISCUSSION, HEARINGS (Continued)

NOTICED HEARINGS: (Continued)

ITEM-330: (Continued)

**CITY MANAGER SUPPORTING INFORMATION:** (Continued)

The site is currently developed with an apartment complex consisting of 12 separate buildings in which 94 of the units are one-bedroom apartments, 93 are two-bedroom apartments, and one is a three-bedroom apartment. These existing buildings were designed and constructed for condominiums in 1978 and were in conformance with the development codes at that time; The Subdivisions Board on November 11, 1981, approved Tentative Map 01-300-01 for 188 condominiums. However, because of the high interest rates and poor market conditions for condominiums in the early 1980's the owner decided to rent out the units on a monthly basis and postponed finalizing the Tentative Map. Tentative Map 01-300-01 expired on November 11, 1984.

The project proposes to convert the existing 188 apartments to 188 condominiums. The project is consistent with the residential land use designation and low to medium density in effect for the site. There are no zoning or non-conforming land use issues, or code violations associated with the property, and the existing development complies fully with the current requirements of the MR-1-1 Zone.

The project consists of one and two-bedroom dwelling units and one three-bedroom unit each having one enclosed and one uncovered parking space and balcony. There is an existing pool and green belt area with grass and an array of ornamental trees. The owner of the development plans on gradually phasing the apartments to condominiums in six phases over a period of 24 months in order to minimize tenant displacement. In addition, the owner plans on completely refurbishing each unit to include, but not limited to, the following improvements: stacked, interior washer/dryer hook-ups, all new kitchens and baths, natural maple wood cabinetry, all new kitchen appliances, plumbing fixtures, lighting fixtures, heating, flooring and carpet. The acoustical ceilings will be removed and each unit will be painted. The exterior trim will also be painted and the landscaping upgraded. According to the owner, these refurbishing costs will exceed \$5.0 million dollars.

**FISCAL IMPACT:**

All costs associated with the processing of this application are paid for by the applicant.

Ewell/Christiansen/WJZ

**NOTE:**

This project is exempt from the California Environmental Quality Act pursuant to State CEQA Guidelines Section 15308.

ADOPTION AGENDA, DISCUSSION, OTHER LEGISLATIVE ITEMS

RESOLUTION:

ITEM-331: Status Report on the Inclusionary Housing Ordinance and the Affordable/In-Fill Housing and Sustainable Buildings Expedite Program.

(See City Manager Report CMR-04-019.)

**CITY MANAGER'S RECOMMENDATION:**

Adopt the following resolution:

(R-2004-770)

Accepting the City Manager's Report on the status of implementation of the Inclusionary Housing Regulations and the Affordable/In-Fill Housing and Sustainable Buildings Expedite Program.

ADOPTION AGENDA, DISCUSSION, COMMITTEE ITEMS

COMMITTEE ON LAND USE AND HOUSING,  
ORDINANCES TO BE INTRODUCED:

ITEM-332: Two actions related to Proposed Changes to Condominium Conversion Regulations.

(See City Manager Report CMR-03-186; Planning Commission Report P-03-369 (this report was not available at Committee); memorandum from S. Gail Goldberg dated 9/12/2003; letters from Craig K. Beam dated 9/2/2003 and 9/17/2003; Peter Valleau's report; and Market Pointe's information.)

**TODAY'S ACTIONS ARE:**

Introduce the following ordinances:

Subitem-A: (O-2004-58 Cor. Copy)

Introduction of an ordinance amending Chapter 12, Article 5, Division 4, of the San Diego Municipal Code by amending Sections 125.0430, 125.0431, and 125.0444, amending Chapter 12, Article 5, Division 6, by amending Section 125.0640, and amending Chapter 14, Article 4, by adding Division 5 Titled "Condominium Conversion Regulations," and by adding Sections 144.0501, 144.0502, 144.0503, and 144.0504, all relating to Condominium Conversions.

Subitem-B: (O-2004-94 Cor. Copy)

Introduction of an ordinance amending Chapter 14, Article 2, Division 13, of the San Diego Municipal Code by amending Sections 142.1303 and 142.1306, all relating to Inclusionary Affordable Housing Regulations.

**LAND USE AND HOUSING COMMITTEE'S RECOMMENDATION:**

On 9/17/2003, LU&H voted 4 to 0 to adopt the City Manager's recommendations with one amendment to recommendation number 2. The motion directed staff to:

1. Prepare an ordinance to require that when the rental vacancy rate is below 7%, condominium conversion applicants provide a relocation/down payment assistance payment of three months current rent to residents of units being converted who earn less than the Area Median Income (AMI).



ADOPTION AGENDA, DISCUSSION, COMMITTEE ITEMS (Continued)

COMMITTEE ON LAND USE AND HOUSING,  
ORDINANCES TO BE INTRODUCED: (Continued)

ITEM-332: (Continued)

2. Direct preparation of an amendment to the Inclusionary Housing Ordinance to apply the City's recently adopted inclusionary housing provisions to condominium conversions, requiring applicants for conversions to either offer 10% of the converted units at a price affordable to residents earning 100% or less of AMI, provide the same number of affordable units at an off-site location or pay an in lieu fee. Converted units regardless of size being sold for less than 150% of AMI would be exempt from any inclusionary requirement.
3. Assure units undergoing conversion meet all applicable local and State building and zoning regulations. Chair Peters stated, for the record, his reservations with regards to recommendation number 2, noting while he favored moving the item forward as part of the motion, he may not support the item at City Council.

(Councilmembers Peters, Zucchet, Atkins, and Frye voted yea. Councilmember Lewis not present.)

**SUPPORTING INFORMATION:**

The actions before you are proposed revisions to the City's condominium conversion regulations and inclusionary housing regulations. These actions relate to specific recommendations from the final report of the Affordable Housing Task Force (AHTF). The AHTF recommendations were as follows: 7bi: Apply 10% inclusionary housing requirement to condo conversions; 7bii: Require relocation assistance for seniors, disabled, and low-income households; 7biii: Require that converted properties meet building and zoning requirements in effect at the time of construction, plumbing, mechanical, electrical systems be in good working order, roof systems be inspected by a licensed contractor or home inspector, wall and roof have insulation or meet Title 24 at the time of construction; 7biv: Require down payment assistance for seniors, disabled, and low-income households.

Action item A relates to recommendations 7bii and 7biv from the AHTF report and action item B relates to recommendation 7bi from the AHTF report. Recommendation 7biii from the AHTF report is addressed in the Planning commission report but does not require any ordinance revisions. The recommended actions are refinements to the Affordable Housing Task Force Recommendations and have been reviewed by the Land Use and Housing Committee, Community Planners Committee, Housing Commission and Planning Commission. Please see the attached Planning Commission Report No. P-03-369 for a full description of the proposed revisions.

ADOPTION AGENDA, DISCUSSION, COMMITTEE ITEMS (Continued)

COMMITTEE ON LAND USE AND HOUSING,  
ORDINANCES TO BE INTRODUCED: (Continued)

ITEM-332: (Continued)

**SUPPORTING INFORMATION:** (Continued)

On December 11, 2003, the Planning Commission voted 6-0 to recommend City Council adoption of the revisions to the condominium conversion regulations and inclusionary housing regulations. In addition, the Commission made the following suggestions:

- Any and all available financing methods should be explained and made available to the people living in units undergoing conversion to help them to be able to afford to purchase these units.
- Council should be urged to consider a future requirement that inclusionary housing be provided on site rather than continuing to allow the inclusionary requirement to be fulfilled by payment of an in lieu fee.
- The condominium conversion situation should continue to be closely monitored and annual reports should be prepared by staff on this issue.

Manager's Recommendation:

1. Recommend approval of a requirement that when the rental vacancy rate is below seven percent, property owners who seek approval to convert rental housing units to for-sale condominium units be required to provide relocation/down payment assistance equal to three months current rent to existing residents who earn less than the Area Median Income (AMI).
2. Recommend approval of an amendment to the Inclusionary Housing Ordinance to apply the inclusionary requirement to condominium conversions that will sell at a price affordable to families earning 150% or more of AMI.
3. Assure that housing units being converted meet all applicable local and State building and zoning standards.

**FISCAL IMPACT:**

Administration would be done by Housing Commission. Fees to cover administrative costs are proposed.

Ewell/Goldberg/BL

NON-DOCKET ITEMS

ADJOURNMENT IN HONOR OF APPROPRIATE PARTIES

ADJOURNMENT